

August 31, 2007

Ms. Torina Wood
State Budget Analyst
Office of State Budget
1201 Main Street, Suite 870
Columbia, SC 29201

Dear Ms. Wood:

Attached is the Department of Disabilities and Special Needs' Budget Plan for FY 2008-2009. We are submitting only items that represent critical needs for the agency and the individuals and families we serve.

DDSN continues to become more efficient and continues to prioritize services on a need-to-have rather than a want-to-have basis. By policy the agency continues to utilize less expensive in-home family supports to avoid expensive out-of-home care. However, these actions are not sufficient by themselves to fund the critical needs.

DDSN's Central Office administration, as a percent of the agency's total budget, has decreased from 2.8 percent in FY 90-91 to less than 2.0 percent in FY 2007-2008, including pay increases. Privatization efforts have increased and the amount of funds shifted to local programs has increased. However, these measures alone cannot fund the critical needs identified.

The agency is submitting five operating budget priorities and one capital budget priority in its budget request. The top two priorities are both really maintenance of effort requests. The first due to a federal mandate as a result of changes in rulemaking and the second is the annualization of recurring services funded with supplemental appropriations in FY 2007-2008.

Two of the other three operating requests are for current consumers on waiting lists for services which require additional funding. The other request is for the remaining funding to create the specialized services needed for people who currently receive insufficient care after injury.

The one capital request is for the remainder of the funding to construct the South Carolina Center for the Treatment of Genetic Diseases. DDSN received one-half of the necessary funding to construct the facility in FY 2007-08.

Ms. Torina Wood
August 31, 2007
Page 2

Except for Babynet Early Intervention Services, DDSN services are generally not an entitlement. While this means the number of eligible people is limited and costs associated with growth are controlled, the agency is still unable to fund these most critical needs with existing resources for several reasons. The number of individuals who need services from DDSN, often critical life and death services, continues to grow. People with severe disabilities have normal life spans and need services for decades. Advances in science and medicine have significantly increased rates of survival of persons with complex medical conditions. There is limited turnover among existing service recipients with which to accommodate the new individuals who need services.

Our resources are further stretched by the growth in our state's population generally and specifically as a result of successful economic development. Each month DDSN receives almost 400 requests from new people seeking eligibility and services. Some of the families that are now making South Carolina their home have family members with severe disabilities. New funds are essential to maintaining current services and to assisting new people requiring critically needed services.

We appreciate the opportunity to present the needs of the agency to provide services to individuals with severe lifelong disabilities and their families. There are no new FTEs in this budget plan. If we can provide you with any additional information, we will be happy to do so.

Sincerely,

Stan Butkus, Ph.D.
State Director

Attachment

FISCAL YEAR 2008-09 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. Section 24/J16/Department of Disabilities and Special Needs

B. Statewide Mission:

The Department of Disabilities and Special Needs, as stated in Section 44-20-240 of the South Carolina Code of Laws, has authority over the state's services and programs for the treatment and training of persons with mental retardation, autism, head and spinal cord injury and conditions related to each of these four disabilities. This authority does not include services delivered by other agencies of the state as prescribed by statute.

The mission of the Department of Disabilities and Special Needs is to assist people with disabilities and their families through choice in meeting needs, pursuing individual possibilities and achieving life goals, and to minimize the occurrence and reduce the severity of disabilities through prevention. To do this DDSN strives to ensure their safety and improve the health and economic conditions of the individuals and families served. This directly supports South Carolina's goal that every citizen enjoy an enhanced quality of life and the state's mission to enhance the economic well-being of its people and to produce a healthy, secure environment for life, work, and recreation.

DDSN currently serves over 28,000 persons with mental retardation and related disabilities, autism, head or spinal cord injuries. Over 80% of these individuals live at home, most with their families. The remaining individuals have needs which cannot be met at home and which require services provided in community residential settings or in one of the state-operated regional centers.

DDSN operates five regional centers that serve over 880 persons with the most severe disabilities. These individuals receive specialized training, supervision and health care 24 hours a day. The regional centers provide vital services for persons requiring that level of care.

Another 3,700 people receive 24-hour residential care in community settings. DDSN also provides community day supports and employment services, early intervention services, respite and other family supports, service coordination and various specialized services like physical therapy, occupational therapy and psychological services. Most of these services are contracted through local disabilities boards and private providers.

Services are provided to both children and adults with disabilities. Based on the severity of the individual's needs, services are typically required throughout the person's life.

The development and provision of services are guided by values which include health, safety, and well-being of each person; dignity and respect; and consumer/family participation and choice. The range of services reflects a person-centered approach and accountability is measured by quality assurance activities, outcomes, and consumer satisfaction.

C. Summary Description of Strategic or Long-Term Goals:

The Department of Disabilities and Special Needs' strategic planning is guided by direction from the Governor and the General Assembly and by our customers' needs and preferences and how they want to be served. It also reflects the Department's responsiveness to national trends, to advocates who promote best practices and to citizens who require sound stewardship of their tax dollars. This framework guides agency policy and actions in terms of how we organize, fund and evaluate services and outcomes.

Consumer Driven Approach

DDSN continues to shift its system of services to one which is more consumer-centered than program-centered. Individuals we serve and their families get to choose services and providers. Funding has changed from expense-based rates to a capitated model that offers incentives for service providers to increase efficiencies and enhance consumers' satisfaction. Accountability systems are being redesigned from process evaluations to outcome evaluations while still ensuring compliance with health and safety measures. Consumer satisfaction is the benchmark, the true impact of services on individuals and families.

The new approach gives consumers and families the power to use the resources allocated to them in ways that make sense in their lives. They set goals and develop a plan that identifies the services they need and who will provide these services. The plan builds on an individual's strengths, interests and talents, and it targets assistance to achieve specific results in the person's life.

Maximizing Services and Resources

The Department of Disabilities and Special Needs has changed from an agency that replaces the family to an agency that supports the family. Family support services keep families together, promote independence and self-sufficiency and prevent or delay expensive out-of-home residential placements. DDSN has aggressively used Medicaid waivers to develop a flexible system of in-home supports and to expand their availability. South Carolina was the first state to be approved for a head and spinal cord injury Medicaid Waiver.

According to "The South Carolina Medicaid Study" issued October 1, 2001, by the Budget and Control Board's Office of Economic Research, during the years 1995 to 1999 DDSN's average cost per person decreased for Medicaid eligible individuals who were served by DDSN, even after adjusting for inflation. In addition, DDSN's Medicaid FFP reimbursements as a percentage of total expenses went from 68% to 78% during the same time period due to efforts at reducing the cost to the state while allowing more cost to be covered with federal participation.

The Department of Disabilities and Special Needs continues to move from relying solely on large state-operated programs in the past to more locally operated private and local board programs. This planned, gradual shift toward increased community-based services has made the department more efficient and reflects a more modern approach to services that is better for people with disabilities.

Key Strategic Goals

1. Improve the quality and range of supports and services that are responsive to the needs of individuals and families.
 - a. Address critical needs of new persons in crisis situations.
 - b. Provide services to persons on waiting lists.
 - c. Serve new persons who become eligible.
 - d. Allow consumers to choose the services they need from providers they prefer using individually defined resource limits.
 - e. Continue to move individuals from regional centers who choose community alternatives consistent with the Olmstead Decision and using a budget neutral method.
 - f. Continue to maximize Medicaid by shifting service dollars to local operations.
 - g. Continue to partner with other agencies to avoid duplication and to share resources as appropriate.
2. Increase accountability to all citizens of South Carolina.
 - a. Continue implementation of a performance measurement system linked to customer satisfaction and achievement of consumers' outcomes.
 - b. Enhance quality assurance and quality improvement initiatives and maintain compliance with federal standards.
 - c. Minimize the occurrence and reduce the severity of disabilities through primary and secondary prevention initiatives.

(See FY 2005-06 Annual Accountability Report Section I Pages 1-5)

Contribution of the FY 2008-2009 Budget Plan to the Mission

DDSN's budget plan for FY 2008-2009 contributes to its mission and is consistent with the agency's goals in several ways. It reflects the state's need to maintain currently needed services and to respond to its most vulnerable citizens when they require residential placement or other supports necessary to maintain the individuals in their own or their families' homes.

The plan addresses the need for maintenance of effort funding needed to deal with federal mandates resulting from changes in rulemaking that will result in 2,159 individuals with disabilities needing a substitute method to having their current services reimbursed and funded.

This budget plan identifies the need to maintain recurring services which are covering ongoing needs of persons with disabilities which were funded in FY 2007-2008 with non-recurring Supplemental Appropriations. These services are needed by these individuals and families on an ongoing basis, not just one year. This fact was known when the funding for the recurring services was funded with onetime funding.

DDSN's budget plan reflects the state's need to prevent expensive out-of-home placements and keep families together by utilizing community support services to maintain 1,650 individuals in their own or their families' homes. This also addresses the U.S. Supreme Court's Olmstead decision that the state work to avoid requiring individuals to move from their own homes in order to receive needed services. This minimizes the increase in critical need residential situations and allows the department to serve the greatest number of people possible in the least expensive alternative.

Each year more babies are born with severe birth defects and more adults survive accidents that leave them with severe brain or spinal cord injuries. Advances in science and modern medicine save lives but also add a growing number of children and adults who need services for the rest of their lives. DDSN now receives almost 400 new requests for eligibility determination per month from new people. Turnover is very limited in the service system as severe disabilities are lifelong and many individuals are waiting for services they need.

This year's plan also identifies and tackles an unmet need of South Carolina's citizens who become most severely injured with head or spinal cord injuries but who, except for a few with sufficient resources, receive inadequate care to minimize their future disabilities which will affect them for the remainder of their lives.

As usual, DDSN's budget plan targets those individuals with the greatest need, especially those who have been placed on waiting lists for services. This is true whether that need is for in-home supports or for out-of-home residential care.

In addition, the state needs to invest the other half of the capital to match the half funded this year for the construction of the South Carolina Center for the Treatment of Genetic Diseases. The Center will allow the timely development of the necessary expertise and infrastructure to position South Carolina to take fullest possible advantage of emerging treatments to cure and prevent mental retardation, autism, and related disabilities. Today there are new opportunities to work with the families of newborns to provide curative treatment for conditions that, if left untreated, will result in severe life-long disabilities. Other new treatments will be developed over time. The goal of the treatment center is to promote normal development and prevent mental retardation and other developmental disabilities.

D.

Summary of Operating Budget Priorities for FY 2008-09		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No: 1	Title: Rehabilitation Services Option – Federal Mandate		\$2,253,000		\$5,201,000	\$ 7,454,000	0	0	0	0
Strategic Goal No. Referenced in Item C Above <i>(if applicable)</i> : 1 Activity: (1018) In-Home Waiver Services; (1022)Autism Family Support										
Priority No: 2	Title: Pervasive Developmental Disorder Waiver		\$4,500,000		\$6,950,400	\$ 11,450,400	0	0	0	0
Strategic Goal No. Referenced in Item C Above <i>(if applicable)</i> : 1 and 2 Activity: (1863) Pervasive Developmental Disorder Waiver										
Priority No: 3	Title: Community Supports in the Individual’s and Family’s Home		\$5,618,000		\$8,017,000	\$13,635,000	0	0	0	0
Strategic Goal No. Referenced in Item C Above <i>(if applicable)</i> : 1 and 2 Activity: (1015) Center Based Child Dev. (1016) Other Family Support; (1018) In-Home Waiver Services; (1019)Respite/ Family Support Stipends; (1020) Adult Dev. & Supported Employment;(1022) Autism Family Support; (1024) Head & Spinal Cord Injury Waiver Services; (1025) Head & Spinal Cord Injury Family Support										
Priority No: 4	Title: Traumatic Brain or Spinal Cord Injury Post-acute Rehabilitation		\$9,404,000		\$2,233,000	\$11,637,000	0	0	0	0
Strategic Goal No. Referenced in Item C Above <i>(if applicable)</i> : 1 and 2 Activity: (1862) Traumatic Brain or Spinal Cord Injury Post-acute Rehabilitation										

Priority No: 5	Title: Residential Waiting List/Aging Caregivers		\$2,868,000		\$6,618,000	\$9,486,000	0	0	0	0
Strategic Goal No. Referenced in Item C Above (<i>if applicable</i>): 1 Activity: (1027) Mental Retardation Comm. Training Homes; (1028)Mental Retardation Comm. Assisted Living; (1029) Autism Comm. Training Homes; (1030) Head & Spinal Cord Injury Comm. Training Homes; (1031) Head & Spinal Cord Injury Assisted Living										
TOTAL OF ALL PRIORITIES			\$ 24,643,000		\$ 29,019,400	\$ 53,662,400	0	0	0	0

E. Agency Recurring Base Appropriation:

State	\$ 183,938,550
Federal	\$ 774,437
Other	\$ 371,709,571

F. Efficiency Measures:

Cost Avoidance: Maximizing Community Services

The number of persons served in the state-operated regional centers has continued to decline as the number of community options has increased. While a needed and vital service for some individuals, the centers are also DDSN's most expensive service. Since 1994, using a "money follows the individual" formula, \$56.3 million has been shifted to the local community programs and 1,843 DDSN FTEs have been reduced. This includes \$3.2 million and 81 FTE's last fiscal year. In addition, the agency has privatized supply warehousing, laundry, printing services, pharmacy services, quality assurance, some medical and food services, vehicle maintenance, garbage services, and mainframe computing resulting in savings and the reduction of additional FTE's while generally improving quality. These are examples of where DDSN has redirected its resources to more efficiently meet the needs of its consumers.

Reducing Administration

During the last nine years, DDSN's Administration FTEs were reduced by over 20% through the Voluntary Separation Program, attrition, and reductions in force. Central Office administration cost has decreased from 2.8% of the Department's budget in FY 90-91 to less than 2% in FY 06-07 even though there has been an increase in the need for services, an increase in the number of people served and an increased scope of services. Like all other state agencies' county entities, DDSN's local boards do have administrative costs necessary to carrying out services; however, these costs are relatively low just as DDSN's are due to the funding system which covers the cost of these services.

Administrative savings have been reallocated in the earlier years to in-home family support and residential services thereby reducing the need for additional State dollars then and more recently to the state's budget reductions during the last several years.

Management of State Budget Reductions

DDSN implemented an updated Service Management and Permanent Budget Reduction plan beginning in FY 2003 that continues today to absorb the additional State fund reduction and the resulting Medicaid fund reductions. The plan minimized administrative costs and maximized dollars to maintain current service levels to all persons receiving services while preparing to respond to new critical care life and death situations that arose during the year. Actions started in FY 2001 continued, such as freezing non-direct care positions, severely restricting critical placements of individuals and reducing administration. The agency downsized, restructured and eliminated positions in administration, mid-level management and field personnel. Regional functions were streamlined, other responsibilities and functions previously regionalized were centralized. Savings were realized from 193

employees terminating employment through the VSP or the RIFs, 286 positions being deleted, and 268 FTEs remaining unfilled. DDSN's payroll decreased a total of \$5.4 million. These cumulative efforts resulted in the agency's ability to absorb the funding reductions while still maintaining ongoing services to everyone receiving them.

Business Results

DDSN consumer survey results compare favorably with national data in the developmental disability field. DDSN consumer satisfaction rate is above 80% which is slightly above the national average. All five of the choice and decision making survey results exceeded the national average.

The agency continues to be cost efficient in the use of scarce financial resources. The most expensive service provided to consumers is residential care. DDSN's community residential cost continues to be less than half of the cost of receiving the services at one of the four regional centers. And the regional centers' cost continue to be 25% less than the national and southeastern rate.

While being cost effective and comparing favorably on consumer surveys, DDSN's regional centers are right at the national average ratio of the number of direct care staff to consumers served. An additional factor that can affect quality and cost effectiveness is staff turnover. South Carolina regional centers' direct care staff turnover rate continues to compare favorably at almost one-half of the national rate.

(See FY 2005-06 Annual Accountability Report Section I Page 2; and Section III Category 6 Process Management Pages 28-29, Category 7: Business Results Pages 32-50)

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.: 1	<u>Project Name:</u> SC Center for the Treatment of Genetic Diseases Activity Number & Name: 1012 Greenwood Genetic Center	Project No*:	\$3,500,000	\$3,500,000	\$3,701,750	\$10,701,750
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$3,500,000	\$ 3,500,000	\$3,701,750	\$10,701,750

* If applicable

H. Number of Proviso Changes: None.

I. Signature:

Stan Butkus, Ph.D.
State Director

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II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Section 24/J16/Department of Disabilities and Special Needs

B. Priority No. 1 of 5

C. (1) Title: Rehabilitation Services Option – Federal Mandate

(2) Summary Description: This request is for maintenance of effort funding to maintain the day supports of 2,159 individuals with mental retardation and autism who currently receive a Rehabilitation Service Option funded by Medicaid. Due to federal changes in rulemaking concerning this service option, Medicaid will no longer allow for this reimbursement in the near future. The federal Centers for Medicare and Medicaid Services (CMS) will be issuing regulations in the fall to limit reimbursements for developmental services as allowable Medicaid costs for the Rehabilitation Service Option. DDSN currently spends \$17 million dollars on Rehabilitation Service Options for these consumers and Medicaid reimburses the agency \$11.9 million. A new Medicaid community service option waiver DDSN currently has under development, when approved by DHHS and CMS, will allow the state to be reimbursed the cost of these services by Medicaid which will allow the agency to continue the day supports for these consumers. The state matching dollars currently matching Medicaid's rehabilitation reimbursements can be utilized to support the new waiver state matching requirements. Therefore, this request is only for the difference in state matching requirements for the two services. The additional state matching funding needed to support these 2,159 consumers by maintaining services and meeting their needs is \$2,253,000. In addition, it will cost the state significantly less dollars than the \$11.9 million that would be needed just to replace the Medicaid federal reimbursement to DDSN for the current services being provided. Therefore, for approximately \$2.3 million the state can save the difference in funding of \$9.6 million.

(3) Strategic Goal/Action Plan (if applicable): (See FY 2005-06 Annual Accountability Report Section I Page 4 Key Strategic Goal 1.

D. Budget Program Number and Name: II.B.2 In-Home Family Supports
II.C Autism Family Support Program

E. Agency Activity Number and Name: 1018 In-Home Waiver Services
1022 Autism Family Support

F. Detailed Justification for Funding:

(1) Justification for Funding Increase:

This request is for maintenance of effort funding to maintain the day supports of 2,159 individuals with mental retardation and autism who currently receive a Rehabilitation Service Option funded by Medicaid. Due to federal changes in rulemaking concerning this service option, Medicaid will no longer allow for this reimbursement in the near future. The federal Centers for Medicare and Medicaid Services (CMS) will be issuing regulations in the fall to limit reimbursements for developmental services as allowable Medicaid costs for the Rehabilitation Service Option.

The Presidents' Fiscal Year 2008 budget request to Congress includes a plan to place new restrictions on the types of services allowable under the Medicaid rehabilitation option to yield federal budget savings of \$230 million in FY 2008 and \$2.29 billion over the next five years. This regulatory proposal also follows a series of audits of state rehabilitation option programs conducted by federal Health and Human Services Office of the Inspector General. A recent audit of Iowa's program determined that the costs were not reimbursable from Medicaid.

The notice of proposed rulemaking will appear as an official publication in the Federal Register describing the types of changes being proposed. The federal administration is expanding how it defines habilitation services in order to restrict the services being covered in this option currently. In the past, states have received federal approval to cover day services for persons with developmental disabilities under either the rehabilitation or clinic options.

The national developmental disabilities state directors' organization, NASDDDS, had an earlier agreement with CMS for more than a decade to allow reimbursements in the developmental field until new regulations were promulgated. Information CMS has issued to date is that the agency believes that developmental support services do not qualify as rehabilitation services and consequently, intend to impose strict constraints on the inclusion of such elements of services as allowable Medicaid costs. A number of states besides South Carolina currently are reimbursed by Medicaid for these services.

DDSN currently spends \$17 million dollars on Rehabilitation Service Options for the 2,159 individuals with mental retardation and autism. Medicaid reimburses the agency \$11.9 million. In the past, the statutory provision establishing the service option has used broad language to permit states to cover services that may not be coverable under other service categories. These included diagnostic, screening, preventive, and rehabilitative services, including any medical or remedial services provided in a facility, a home, or other setting. Without this funding the services cannot be maintained.

According NASDDDS staff, the most straight forward and widely used approach to ensuring continued federal financing of day habilitation services to persons with developmental disabilities is to transfer services currently being funded through a rehabilitation state plan option to a Medicaid home and community-based waiver program. Over the years, many states have used this approach to move out of state plan reimbursement practices due to CMS changes. Generally, CMS has supported such initiatives and frequently has encouraged and supported these efforts by states.

DDSN currently operates three such Medicaid community-based waiver programs in conjunction with South Carolina's DHHS. A new Medicaid community service option waiver currently under development, when approved by DHHS and CMS, will allow the state to be reimbursed the cost of these services by Medicaid which will allow the agency to continue the day supports for these consumers. However, the new community service option waiver is being developed to meet the needs of a broader group of consumers which means it will have other supports necessary to maintain a consumer in their home. Once you become eligible for the waiver you become eligible for any of the needed supports provided by the waiver. This will mean that the these consumers who are currently only getting the Rehabilitation Service Option will be eligible to have a few more needed services funded by Medicaid. It is these additional needed services that will add some cost to converting these consumers' services.

Currently 1,421 consumers receiving the rehabilitation option are costing \$8,949 per person based on the type of rehabilitation provided. Another 738 are costing an average of \$4,034. It is estimated that the average cost of the new Medicaid community service option waiver will be \$11,000 per person served. However, the state matching dollars currently matching Medicaid's rehabilitation reimbursements can be utilized to support the new waiver state matching requirements. Therefore, this request is for the difference in state matching requirements for the two services. This will mean that the 1,421 consumers receiving facility based rehabilitation will only cost \$620 per consumer more in state matching funding. The 738 consumers receiving individual support services in a community setting will cost \$1,859 more per consumer in state matching funding. The total additional state matching funding needed to support these 2,159 consumers by maintaining services and meeting their needs is \$2,253,000.

This \$2,253,000 in state matching funding is necessary to maintain these consumers' services. In addition, this cost to the state is significantly less dollars than the \$11.9 million that would be needed just to replace the Medicaid federal reimbursement to DDSN for the current services being provided. Therefore, for approximately \$2.3 million the state can save the difference in funding of \$9.6 million. And an added benefit is that these consumers will be eligible for some additional services to meet their current needs that are currently not funded.

Costs for this request are summarized below:

	<u>Basis for Estimate</u>	<u>Total Cost</u>	<u>State Share</u>
1. Facility Based Rehabilitation	1,421 consumers @ \$2,051	\$ 2,914,500	\$ 881,000
2. Individual Support Rehabilitation	738 consumers @ \$6,151	4,539,500	1,372,000
Total Cost		\$ <u>7,454,000</u>	\$ <u>2,253,000</u>

Note: This request is funded through Medicaid.

The \$2,253,000 requested includes all operating costs. All services would be contracted with local providers. No FTE's are required.

Unless this funding is appropriated, 2,159 consumers who are currently receiving a needed will be in jeopardy of having this service unfunded due to federal changes in rulemaking concerning Medicaid reimbursements for these services. In order for the department to attempt to maintain these services without the funding, DDSN would have to reduce other State funded services. There would be no way to cover these recurring costs without reducing services to someone else who currently receives services.

As directed over many years by Governors' administrations and the General Assembly, DDSN has pursued an aggressive effort to have as many of the agency's services as possible covered by the federal government through Medicaid reimbursements. This has meant a reduced cost to the state to provide services to persons with severe lifelong disabilities. Most of the services DDSN provides have some cost expensed to Medicaid. It is these efforts to reduce the cost to the state that allow the federal participation to cover almost 70% of many of the expenses needed in this request. However, these Medicaid services are specialized and are not part of the mandatory Medicaid State Plan entitlement program. This means that the number of individuals served is limited and the amount of dollars spent are controlled through the state's budget process and that they do not affect the cost of services to the general Medicaid program of the state.

In addition, DDSN has aggressively shifted resources over the past few years in order to meet the priorities of the agency without additional funding. During the thirteen year period 1994 through 2007, DDSN shifted \$56.3 million in services from large state-operated facilities to locally operated disabilities boards and other providers as community alternatives were developed. This resulted in the reduction of over 1,843 FTE's during the same period. The agency has privatized supply warehousing, laundry, printing services, pharmacy services, quality assurance, some medical and food services, vehicle maintenance, garbage services and mainframe computing resulting in savings and the reduction of additional FTE's while generally improving quality. During the last nine years DDSN's Central Office administration has been minimized to less than two percent. These savings were reallocated to the highest priorities of the agency or were utilized to manage budget reductions so as to minimize negative impact to service delivery.

DDSN persists in making every effort to shift available resources to prevention and family support services and to avoid unnecessary expensive out-of-home placements. The agency's focus continues to be on supporting families rather than replacing them. This approach is considered to be a best practice in the field while saving the state a significant amount of money. DDSN works each year to reduce the cost of serving people with severe disabilities who need services by emphasizing family support and primary prevention activities and by reserving out-of-home residential placements only for those individuals with the most critical needs. The agency has already redirected resources to help serve individuals and families and maximized federal reimbursements so that now there are no other resources available within the agency to fund this request.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		0		0	0
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		\$2,253,000		\$5,201,000	\$7,454,000
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$2,253,000		\$5,201,000	\$7,454,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 29,671,658
Federal	\$ 245,000
Other	\$ 39,108,290

(4) Is this priority associated with a Capital Budget Priority? No. If so, state Capital Budget Priority Number and Project Name:

_____.

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Section 24/J16/Department of Disabilities and Special Needs

B. Priority No. 2 of 5

C. (1) Title: Pervasive Developmental Disorder Waiver

(2) Summary Description: This request is to annualize with recurring State dollars the non-recurring funding provided DDSN in the FY 2007-2008 Appropriations Act. DDSN received non-recurring funding to provide needed therapies for children and their families. These non-recurring dollars funded the expansion of Early Intensive Behavior Intervention Treatment from a Medicaid Waiver pilot project funded in FY 2006-07 to a fully operational waiver for children with a diagnosis of Pervasive Developmental Disorder to include Autism and Asperger's Syndrome. Early intervention treatment at as young an age as possible is the key to helping these children reach their potential in life. These intervention services consist of an assessment and behaviorally oriented treatment for each child provided through the waiver. The services are based on an individual child's strengths and challenges and their need for a structured, individualized curriculum. Trained professionals will coordinate, implement, and oversee the program for the purposes of skill development in the areas of cognition, behavior, communication, and social interaction that are central to Autism and Asperger's Syndrome. This funding will provide the necessary dollars to maintain therapies to 300 children statewide. Since the need for the services funded with Supplemental Appropriations is recurring, there is a corresponding need to annualize the funding so that they may continue.

(3) Strategic Goal/Action Plan (if applicable): (See FY 2005-06 Annual Accountability Report Section I Pages 4 and 5 Key Strategic Goals 1 and 2; Page 5 Barriers)

D. Budget Program Number and Name: II.C Autism Family Support

E. Agency Activity Number and Name: Pervasive Developmental Disorder Waiver

F. Detailed Justification for Funding:

(1) Justification for Funding Increase:

This request is required to annualize with recurring State dollars the non-recurring Supplemental Appropriations funded in the FY 2007-2008 Appropriations Act. The services these children and their families are receiving are ongoing even though the current funding is not. Once a child is authorized to receive these therapies there is really no way to "go back" and legitimately take the services away in the middle of the treatments.

This request will provide the necessary funding to maintain the Pervasive Developmental Disorder Medicaid Waiver which was funded in FY 2007-2008 as a fully operational waiver. Originally this effort started in FY 2006-2007 as a pilot waiver for children with a diagnosis of Pervasive Developmental Disorder (PDD) to include Autism and Asperger's Syndrome who needed specialized therapies. Through this Medicaid waiver, children under the age of eleven with this diagnosis receive Early Intensive Behavior Intervention Treatments. This funding will maintain therapies to 300 children statewide needing these

treatments. This is in addition to the 200 children receiving therapies as a result of the original pilot funding.

The treatments systematically apply interventions based upon the principles of learning theory to improve socially significant behaviors to a meaningful degree. Socially significant behaviors include reading, social skills, communication, and adaptive living skills. Adaptive skills include gross and fine motor skills, eating and food preparation, toileting, personal self-care, and home and community orientation.

The services provided include functional behavior assessments and analyses, development of behavioral support plans, implementing interventions designed in the plans, training key persons to implement the interventions, monitoring effectiveness of the plans and modifying them as necessary and educating family and caregivers concerning strategies and techniques to assist the children in replacing inappropriate behaviors with appropriate ones.

Any treatment that is funded by the waiver must be directly related to an individual child's therapeutic goals. Services are limited to three years. Children must be at least three years of age and not older than ten unless a variance is authorized. Providing the treatment at a young age is the key to the learning process and will help the children with autism and similar conditions reach their potential in life. The annual cost of benefits currently cannot exceed \$50,000 per child and the average is expected to be \$38,168 per child. Typically, a child will receive approximately 30 hours of therapy per week.

For each child in the PDD waiver a lead therapist assesses the child and develops and monitors the intensive treatment plan based upon the child's individual needs. A senior therapist provides the ongoing supervision concerning implementing the plan and training line therapists. The line therapists actually implement the plan once it is developed. The family stays involved and follows through with developed activities. The therapeutic goals must be implemented on a face-to-face basis with the child.

These intensive early intervention services are provided with the intent to improve the health, welfare, and effective functioning of these children with pervasive developmental disorders in their homes and communities. It is expected that 13 percent of the children will not be Medicaid eligible; however, they will receive the same treatment and therapy as if they were so as to maximize their potential functioning in their homes and communities as well.

Costs for this request are summarized below:

	<u>Basis for Estimate</u>	<u>Total Cost</u>	<u>State Share</u>
Early Intensive Behavior Intervention Treatment	300 children @ \$38,168	\$ 11,450,400	\$ 4,500,000

Note: This request is funded through Medicaid.

The \$4,500,000 requested includes all operating costs. All services will be contracted with Medicaid approved providers. No FTE's are required.

These behavior intervention treatments are vital to many families struggling with the behaviors of their children with these disorders. These services become a family support to the child and the other members of the family. And in the long run, supporting families is more cost effective than the state providing total care. More importantly, family support services prevent the breakup of families and they prevent the development of crisis situations and the resulting out-of-home placement. Family support services promote family unity and responsibility and provide a higher quality of life from living at home rather than living in a group home, institution, nursing home or other setting. And of course children, regardless of their disabilities, should be able to be supported and remain at home with their parents as long as possible.

As directed over many years by Governors' administrations and the General Assembly, DDSN has pursued an aggressive effort to have as many of the agency's services as possible covered by the federal government through Medicaid reimbursements. This has meant a reduced cost to the state to provide services to persons with severe lifelong disabilities. Most of the services DDSN provides have some cost expensed to Medicaid. It is these efforts to reduce the cost to the state that allow the federal participation to cover many of the expenses needed in this request. However, these Medicaid services are specialized and are not part of the mandatory Medicaid State Plan entitlement program. This means that the number of individuals served is limited and the amount of dollars spent are controlled and that they do not affect the cost of services to the general Medicaid program of the state.

In addition, DDSN has aggressively shifted resources over the past few years in order to meet the priorities of the agency without additional funding. During the thirteen year period 1994 through 2007, DDSN shifted \$56.3 million in services from large state-operated facilities to locally operated disabilities boards and other providers as community alternatives were developed. This resulted in the reduction of over 1,843 FTE's during the same period. The agency has privatized supply warehousing, laundry, printing services, pharmacy services, quality assurance, some medical and food services, vehicle maintenance, garbage services and mainframe computing resulting in savings and the reduction of additional FTE's while generally improving quality. During the last nine years DDSN's Central Office administration has been minimized to less than two percent. These savings were reallocated to the highest priorities of the agency or were utilized to manage budget reductions so as to minimize negative impact to service delivery.

DDSN persists in making every effort to shift available resources to prevention and family support services and to avoid unnecessary expensive out-of-home placements. The agency continues to shift from replacing families to supporting families. This approach is considered to be a best practice in the field while saving the state a significant amount of money. DDSN works each year to reduce the cost of serving people with severe disabilities who need services by emphasizing family support and primary prevention activities and by reserving out-of-home residential placements only for those individuals with the most critical needs. The agency has already redirected resources to help serve individuals and families and maximized federal reimbursements so that now there are no other resources available within the agency to fund this request.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		0		0	0
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		\$4,500,000		\$ 6,950,400	\$11,450,400
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$4,500,000		\$ 6,950,400	\$11,450,400
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 4,158,449
Federal	\$ 55,000
Other	\$14,657,270

(4) Is this priority associated with a Capital Budget Priority? No. If so, state Capital Budget Priority Number and Project Name:_____.

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Section 24/J16/Department of Disabilities and Special Needs

B. Priority No. 3 of 5

C. (1) Title: Community Supports in the Individual's and Family's Home

(2) Summary Description: This request is to prevent unnecessary and expensive out-of-home placements by serving 1,650 individuals with severe disabilities with the supports necessary to maintain them in their homes. Community support services prevent the break-up of families and reduce the number of crisis situations and their resulting out-of-home placements. As of June 30, 2007 there were 853 consumers on the waiting list for the Mental Retardation/Related Disabilities Waiver and 230 awaiting the Head & Spinal Cord Injury Waiver for a total of 1,083 individuals. There were also 1,099 awaiting a day support service. Support services include personal care aids and attendants, day and employment supports, respite, summer services, individual rehabilitation support services, home modifications/specialized equipment, therapies, and ancillary services, as well as other services. Not funding this request will increase the already large residential waiting list and will create further pressure to fund additional residential placements which are much more expensive. Funding this request may be the difference between supporting families and individuals versus replacing families and providing expensive total care.

(3) Strategic Goal/Action Plan (if applicable): (See FY 2005-06 Annual Accountability Report Section I Pages 4 and 5 Key Strategic Goals 1 and 2; Page 5 Barriers)

D. Budget Program Number and Name: II.B Mental Retardation Family Support Program
II.C Autism Family Support Program
II.D Head & Spinal Cord Injury Family Support Program

E. Agency Activity Number and Name: 1015 Center Based Child Development
1016 Other Family Support
1018 In-Home Waiver Services
1019 Respite/Family Support Stipends
1020 Adult Development and Supported Employment
1022 Autism Family Support
1024 Head and Spinal Cord Injury Waiver Services
1025 Head and Spinal Cord Injury Family Support

F. Detailed Justification for Funding:

(1) Justification for Funding Increase:

This request is to prevent unnecessary and expensive out-of-home placements by serving 1,650 individuals with severe disabilities with the supports necessary to maintain them in their homes. It represents DDSN's ongoing effort to promote individual and family independence and responsibility by supporting individuals and families rather than replacing families. This request responds to the individuals currently on waiting lists for services as well as the expected growth of these lists based on current demand. On average, individual and family support services such as personal care aids, employment, or respite services cost less than one half the least expensive out-of-home placement options. Often these services are the difference between helping the family with supports versus replacing the family with a more expensive out-of-home placement. Supports strengthen the family and allow family caregivers to remain employed. Supports also allow people with disabilities to earn money and often persons with physical disabilities can live independently or with limited assistance.

This approach represents the use of effective best practice principles within the disability service delivery system. To minimize costs, DDSN has been shifting away from expensive out-of-home residential care to less expensive in-home family support. The first priority for the funding will be to create support services for individuals and families to reduce the likelihood that a crisis situation will develop. This request will support all three divisions within DDSN. As of June 30, 2007 there were 853 individuals on the waiting list for the Mental Retardation/Related Disabilities Medicaid Waiver for at home supports. Another 1,099 individuals living at home are awaiting day or employment supports which also allow family members to remain gainfully employed. The Head and Spinal Cord Injury Division had 230 individuals living at home waiting to receive additional services through the Head & Spinal Cord Injury Medicaid Waiver. This means that were a total of 1,083 individuals awaiting the two specialized disability Medicaid Waivers. It is projected that the numbers waiting to receive these waivers will grow with no possibility of receiving needed services without additional funding.

This request will provide individual and family support funding for 500 individuals who are awaiting services from the Mental Retardation/Related Disabilities Waiver and 200 individuals who are awaiting services from the Head & Spinal Cord Injury Waiver. Another 950 consumers awaiting other day supports will also get additional supports to help them remain in their homes most often with their families. Each year more individuals are born with severe birth defects or survive accidents that leave them with severe head and/or spinal cord injuries. Advances in science and modern medicine save lives but it also adds a growing group of children and adults who need services for the rest of their lives. And of course the continued growth in the state's population just adds to the demand for services. Each month DDSN receives almost 400 new requests for eligibility and services. In addition to more new people, some of the thousands of individuals with severe lifelong disabilities currently being served will have a significant change in their physical condition or living circumstances that will require additional support services for them to continue living in their own homes or with family members.

This request has the following eight major program components designed to help individuals with autism, mental retardation and related disabilities, and head or spinal cord injuries live at home: (1) personal care aids/attendant services, (2) employment services and other day supports, (3) respite and stipend services, (4) summer services, (5) individual rehabilitation supports, (6) environmental modifications and assistive technology, (7) therapies, and (8) ancillary services. These supports will typically be provided through contracts with local disabilities boards or private providers. No FTE's are required. Individuals served may receive more than one service. The majority of these services will be funded through the Medicaid program.

Personal care aids/attendant services include special assistance to individuals in their homes with basic eating, bathing, dressing, cooking, housekeeping, and other essential activities of daily living. This is the most important support for individuals with severe physical disabilities such as spinal cord injuries because personal care services allow them to be independent and possibly continue working. These services are usually funded through one of the Medicaid waivers.

Employment services and other day supports train and supervise individuals in the skills and knowledge required for different levels of employment or provides other day activity supports. Some individuals will be provided individualized supported employment at their own work site while others will be provided group employment in enclaves at various business and factory work sites or work activity centers. Employment services and other day supports are critical components to enabling families to care for individuals with autism, mental retardation and related disabilities, and survivors of head injuries or spinal cord injuries in their homes. Many families must continue to work outside the home. For them, a day support for their disabled family member is often the difference between the state only helping the family versus the state having to provide total care with a residential placement. These services may be funded with one of the Medicaid waivers or State funding only.

One of the most critical in-home services to families is respite and stipend services. At the recommendation of locally based service coordinators, funds are provided to purchase respite and stipend services to offer temporary care and funding for the families due to emergencies, personal situations, or the need to take a break from full-time care of their family member with a disability. Respite care may be provided in an individual's own home or someone else's home. This funding will cover the cost of purchasing respite and stipend services through the local providers. Respite may be funded with one of the Medicaid waivers or along with stipends may be State funding only.

Summer services are offered to families with children with disabilities and are especially designed to care for persons who: (1) attend public schools and/or (2) whose parents are working or need a break in providing care and have no extended family or other caregivers available during summer work hours. These services include camps, day care, and individualized supports tailored to the individual. These services are State funded only.

Individual rehabilitation support services are interventions designed for each person to develop an enhanced capacity for independence, self-direction, and participation in community activities. Supports include interventions intended to develop or restore functional abilities, personal identity, and responsibility. The services are planned and coordinated by a trained professional hired by the local disabilities boards who utilize their own staff or contract providers to actually carry out the supports. These services may be funded with Medicaid or State funding only.

Basic environmental modifications planned for consumers would include a variety of physical adaptations to ensure the health, safety, and mobility of individuals. Based on individual plans of care, modifications would include installing ramps, widening hallways and doorways, and installing special plumbing systems. This request would also fund assistive technology devices for consumers based on individual abilities and needs. The devices would include switches, controls, or appliances that permit people to live as independently as possible. These services are usually funded through one of the Medicaid waivers.

Therapy services, available to people receiving residential services, are also needed by many individuals residing at home. These services are needed to ensure adequate development of the individuals and to provide needed training and guidance to their families. This request will provide the following services based on need: physical therapy, occupational therapy, speech therapy, psychological services, and audiology services. These services are usually funded through one of the Medicaid waivers.

Ancillary services are needed to serve individuals who will require prescriptions and supplies necessary to maintain the individuals at home and prevent expensive out-of-home residential care. These services are usually funded through one of the Medicaid waivers.

Costs for this request are summarized below:

	<u>Basis for Estimate</u>	<u>Total Cost</u>	<u>State Share</u>
1.	MR/RD Medicaid Waiver	500 consumers @ \$12,194	\$ 6,097,000
2.	HASCI Medicaid Waiver	200 consumers @ \$25,969	\$ 5,193,000
3.	Employment & Day Supports	100 consumers @ \$8,950	895,000
4.	Respite/Stipend Services	400 consumers @ \$2,500	1,000,000
5.	Summer Services	400 consumers @ \$500	200,000
6.	Individual Rehabilitation Supports	50 consumers @ \$5,000	250,000
			110,000
Total Cost		\$ <u>13,635,000</u>	\$ <u>5,618,000</u>

Note: This request is funded through Medicaid.

The \$5,618,000 requested includes all operating costs. All services would be contracted with local providers. No FTE's are required.

When delivered in time, individual and family support is the cornerstone to keeping families together and minimizing expensive out-of-home residential placements. This request is designed to focus on in-home family support services for individuals and families now on the waiting lists for out-of-home placement, day supports, and at home supports provided through the two specialized disability Medicaid Waivers. Many of these individuals who will receive services have complex medical problems in addition to their severe disability, and require intensive care by their families. It is expected that with in-home support services being available, many families will be able to cope with the everyday struggle of caring for a son or daughter with severe disabilities and will not require expensive out-of-home placement. This in turn prevents crisis situations and reduces the need for large increases in state dollars to provide more expensive out-of-home placements for individuals with severely handicapping conditions.

In the long run, family support services when compared to out-of-home placement can save the state at least \$1 million for each individual with disabilities over that individual's lifetime. The average annual total cost for out-of-home placement per individual ranges from \$28,000 to \$110,000 depending upon the level of care required. The average annual cost for family support services would generally be \$5,000 to \$26,000 per individual, which would be a significant reduction in the costs for out-of-home placement. In addition, preventing inappropriate nursing home placements means savings for the state. At least ten elderly persons can be served by the same nursing home bed over the same time span as only one young person with a disability because that person with severe disabilities would occupy that bed for decades.

Without additional funding there will continue to be 1,083 individuals awaiting Medicaid Waiver services alone and another 1,099 waiting day supports. In addition, not funding this request will further increase the growing residential waiting list and will create further pressure to fund additional residential placements. Assisting individuals in their own homes may also help prevent lawsuits that are likely to arise from the new requirement for states to expand community options to be in compliance with the U.S. Supreme Court Olmstead decision that waiting lists for individuals with developmental disabilities move at a reasonable pace.

Immediate cost savings result from supporting families versus providing total care. More importantly, family support services prevent the breakup of families and they prevent the development of crisis situations and the resulting out-of-home placement. Family support services promote family unity and responsibility and provide a higher quality of life from living at home rather than living in a group home, institution, nursing home or other setting.

Since DDSN has had this as a high priority, the agency has been redirecting funding to individual and family supports due to its cost effectiveness and demand by consumers.

As directed over many years by Governors' administrations and the General Assembly, DDSN has pursued an aggressive effort to have as many of the agency's services as possible covered by the federal government through Medicaid reimbursements. This has meant a reduced cost to the state to provide services to persons with severe lifelong disabilities. Most of the services DDSN provides have some cost expensed to Medicaid. It is these efforts to reduce the cost to the state that allow the federal participation to cover over half of the expenses needed in this request. However, these Medicaid services are specialized and are not part of the mandatory Medicaid State Plan entitlement program. This means that the number of individuals served is limited and the amount of dollars spent are controlled through the state's budget process and that they do not affect the cost of services to the general Medicaid program of the state.

In addition, DDSN has aggressively shifted resources over the past few years in order to meet the priorities of the agency without additional funding. During the thirteen year period 1994 through 2007 DDSN shifted \$56.3 million in services from large state-operated facilities to locally operated disabilities boards and other providers as community alternatives were developed. This resulted in the reduction of over 1,843 FTE's during the same period. The agency has privatized supply warehousing, laundry, printing services, pharmacy services, quality assurance, some medical and food services, vehicle maintenance, garbage services and mainframe computing resulting in savings and the reduction of additional FTE's while generally improving quality. During the last nine years DDSN's Central Office administration has been minimized to less than two percent. These savings were reallocated to the highest priorities of the agency or were utilized to manage budget reductions so as to minimize negative impact to service delivery.

DDSN persists in making every effort to shift available resources to prevention and family support services and to avoid unnecessary expensive out-of-home placements. The agency's focus continues to be on supporting families rather than replacing them. This approach is considered to be a best practice in the field while saving the state a significant amount of money. DDSN works each year to reduce the cost of serving people with severe disabilities who need services by emphasizing family support and primary prevention activities and by reserving out-of-home residential placements only for those individuals with the most critical needs. The agency has already redirected resources to help serve individuals and families and maximized federal reimbursements so that now there are no other resources available within the agency to fund this request.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		0		0	0
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		\$5,618,000		\$ 8,017,000	\$13,635,000
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$5,618,000		\$ 8,017,000	\$13,635,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 59,034,959
Federal	\$ 426,000
Other	\$ 133,416,132

4) Is this priority associated with a Capital Budget Priority? No. If so, state Capital Budget Priority Number and Project Name:

_____.

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Section 24/J16/Department of Disabilities and Special Needs

B. Priority No. 4 of 5

C. (1) Title: Traumatic Brain or Spinal Cord Injury Post-acute Rehabilitation

(2) Summary Description: South Carolina needs to fully fund the remaining cost of post-acute rehabilitation that enables people with traumatic brain or spinal cord injuries to obtain an appropriate level of specialized rehabilitation after the injury and acute hospital stay. This specialized rehabilitation will include inpatient or outpatient settings, or a combination of both. For best outcomes, specialized rehabilitation should begin as soon as possible following medical stabilization or discharge from acute care. Currently in the state, there is a serious gap in access to post-acute rehabilitation that is specialized for traumatic brain or spinal cord injuries. While some people receive some rehabilitation or therapy benefits through private health insurance, Medicare, and other sources, such as Worker's Compensation, adequacy of the coverage varies. The estimates based on hospital discharges are that 2,254 individuals with traumatic brain or spinal cord injuries this year will be in need of specialized post-acute inpatient/outpatient rehabilitation. The total cost of care for these specialized post-acute rehabilitation settings would be \$68 million. However, \$56.5 million dollars of this expense is projected to be covered by private insurance, Medicare and other government reimbursements. This fiscal year, DDSN received \$2.1 million in startup funding to begin the program. It is estimated that these dollars will allow the agency to pay for the specialized rehabilitation bills for 58 individuals with these injuries annually. The State funding needed for the balance to cover the uninsured/underinsured and Medicaid State matching funds would be \$9,404,000. DDSN will require \$8,437,000 to cover expenses of the uninsured/underinsured and DHHS will require \$967,000 as additional State matching dollars to draw down the balance to be covered by Medicaid.

(3) Strategic Goal/Action Plan (if applicable): (See FY 2005-06 Annual Accountability Report Section I Pages 4 and 5 Key Strategic Goals 1 and 2)

D. Budget Program Number and Name: II.D Head & Spinal Cord Injury Family Support Program

E. Agency Activity Number and Name: Traumatic Brain or Spinal Cord Injury Post-acute Rehabilitation

F. Detailed Justification for Funding:

(1) Justification for Funding Increase:

In the FY 2007-2008 Appropriations Act, DDSN received an appropriation of \$2.1 million to begin a post-acute rehabilitation program for individuals who experience a traumatic brain or spinal cord injury. The State now needs to fully fund the remaining cost of post-acute rehabilitation that enables people with traumatic brain or spinal cord injuries to obtain an appropriate level of specialized rehabilitation after the injury and acute hospital stay. This specialized rehabilitation will include inpatient or outpatient settings, or a combination of both. For best outcomes, specialized rehabilitation should begin as soon as possible following medical stabilization or discharge from acute care.

Currently in South Carolina, most people who survive a traumatic brain injury or spinal cord injury can initially receive timely and adequate acute medical treatment through a system of emergency services and transport, designated trauma centers, and acute care hospitals. People with less severe injuries may be treated in hospital emergency departments and discharged without hospitalization.

Following medical stabilization, rehabilitation specialized for brain or spinal cord injuries are very important. Without appropriate rehabilitative treatment and therapies in the first weeks or months after injury, people are not able to achieve optimal neurological recovery and maximum functional improvement. Research shows this results in more substantial levels of permanent disability and limits the ability to work. As a consequence, there are greater needs for long term care, and other health, mental health and social services. It directly impacts the numbers of people who seek services from DDSN and intensity of supports needed. Lack of rehabilitation options causes extended acute care hospital stays following injury for many people. There are also higher rates of subsequent hospitalizations for people who do not receive rehabilitation.

Currently there is a serious gap in access to post-acute rehabilitation that is specialized for traumatic brain or spinal cord injuries. While some people receive some rehabilitation or therapy benefits through private health insurance, Medicare, and other sources, such as Worker's Compensation, adequacy of the coverage varies. Some private insurance carriers fund only acute care or a limited amount of generic rehabilitation, rather than specialized. The South Carolina Medicaid program presently does not adequately fund inpatient/outpatient rehabilitation specialized for traumatic brain or spinal cord injuries. The state also has a large number of uninsured persons who cannot access rehabilitation. Many of these people become disabled as a result of their injury, and later qualify for Medicaid. Subsequent costs to the Medicaid program are higher than if these people had received specialized rehabilitation.

The program needs to maximize participation of all payers, including private health insurance, Medicare, other sources, such as Worker's Compensation and Medicaid, in order for the rehabilitation centers to cover costs and maintain their financial viability. Under the program, all third party payers will be expected to maintain current coverage. This too will be an important issue to the centers as it relates to their financial well being. This request is to designate state funds to pay the rehabilitation bills of the individuals who are uninsured or underinsured.

Federally-funded model programs across the country have demonstrated that intensive and specialized interdisciplinary rehabilitation programs have the most positive outcomes for people with traumatic brain injuries and spinal cord injuries. People who are treated in these highly structured settings achieve better physical and psychosocial functioning than people who do not receive specialized rehabilitation. They have better health, more independence, higher rates of return to work, and greater satisfaction with their quality of life.

While DDSN creates the TBI and SCI model system for South Carolina with the \$2.1 million in startup funding provided this fiscal year, some state residents with private insurance will receive specialized treatment at the TBI Model Systems Center at Carolinas Rehabilitation in Charlotte, North Carolina, the Shepherd Center in Atlanta, Georgia which is part of the Georgia Regional SCI Model System, or the Roger C. Peace Rehabilitation Hospital in Greenville which is currently the state's only CARF-accredited Brain Injury and Spinal Cord Injury Program. DDSN currently plans to utilize some of the startup funding to pay for some of the uninsured or underinsured individuals' bills at these and other facilities this fiscal year. It is estimated that this funding will provide specialized post-acute rehabilitation for 58 individuals with a traumatic brain or spinal cord injury annually once the program is operational.

Currently, general rehabilitation facilities and programs do not provide the level of specialty expertise and other resources that bring the best results for people with traumatic brain and spinal cord injury. Limited patient funding sources, including Medicaid restrictions and the lack of funds for uninsured persons are significant barriers for general rehabilitation providers to maintain CARF specialty accreditation.

DDSN has calculated an estimated annual cost for South Carolina to support a specialized rehabilitation program for people with traumatic brain or spinal cord injury. The General Assembly and the Governor would need to invest \$9,404,000 in additional state dollars to fully fund the proposed program.

The projected cost for the specialized rehabilitation program is based on average per capita costs for the TBI population of approximately \$24,500 and for the SCI population of \$70,700. It is assumed that the maintenance of effort would remain the same for all insurance or third party payers.

It is estimated DHHS would need \$967,000 of the projected \$9.4 million in State funding to cover increased costs to the Medicaid program. However, it is believed that many of the extended days of inpatient acute care currently authorized by DHHS will not be necessary if a statewide specialized rehabilitation program is established in the state.

DDSN is projected to need \$8,437,000 in State funding to cover the cost of care for the uninsured and underinsured population. Coverage of the uninsured/underinsured is necessary to meet the needs of disadvantaged persons and to assure the viability of specialized rehabilitation hospitals and providers.

Costs for this request are summarized below:

<u>Specialized Post-acute Rehabilitation</u>	<u>Individuals Affected</u>	<u>Total Cost</u>	<u>State Share</u>
1. Traumatic Brain Injury	1,934	\$ 47,421,000	\$ 4,833,000
2. Spinal Cord Injury	262	18,479,000	4,571,000
Total Cost	2,196	\$ <u>65,900,000</u>	\$ <u>9,404,000</u>

Note: This request is funded partially through Medicaid.

The \$9,404,000 requested includes all operating costs. All services would be contracted with hospitals and private companies. No FTE's are required. It is estimated DDSN will need \$8,437,000 and DHHS will need \$967,000.

As directed over many years by Governors' administrations and the General Assembly, DDSN has pursued an aggressive effort to have as many of the agency's services as possible covered by the federal government through Medicaid reimbursements. This has meant a reduced cost to the state to provide services to persons with severe lifelong disabilities. Most of the services DDSN provides have some cost expensed to Medicaid. It is these efforts to reduce the cost to the state that allow federal participation to cover some of the expenses needed in this request. However, these Medicaid services are specialized and are not part of the mandatory Medicaid State Plan entitlement program. This means that the number of individuals served is limited and the amount of dollars spent are controlled and that they do not affect the cost of services to the general Medicaid program of the state.

In addition, DDSN has aggressively shifted resources over the past few years in order to meet the priorities of the agency without additional funding. During the thirteen year period 1994 through 2007, DDSN shifted \$56.3 million in services from large state operated facilities to locally operated disability boards and other providers as community alternatives were developed. This resulted in the reduction of over 1,843 FTE's during the same period. The agency has privatized supply warehousing, laundry, printing services, pharmacy services, quality assurance, some medical and food services, vehicle maintenance, garbage services and mainframe computing resulting in savings and the reduction of additional FTE's while generally improving quality. During the last nine years DDSN's Central Office administration has been minimized to less than two percent. These savings were reallocated to the highest priorities of the agency or were utilized to manage budget reductions so as to minimize negative impact to service delivery.

DDSN persists in making every effort to shift available resources to prevention and family support services and to avoid unnecessary expensive out-of-home placements. The agency continues to shift from replacing families to supporting families. This approach is considered to be a best practice in the field while saving the state a significant amount of money. DDSN works each year to reduce the cost of serving people with severe disabilities who need services by emphasizing family support and primary prevention activities and by reserving out-of-home residential placements only for those individuals with the most critical needs. The agency has already redirected resources to help serve individuals and families and maximized federal reimbursements so that now there are no other resources available within the agency to fund this request.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		0		0	0
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		\$9,404,000		\$ 2,233,000	\$11,637,000
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$9,404,000		\$ 2,233,000	\$11,637,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 9,488,691
Federal	\$ 115,000
Other	\$ 15,975,790

(4) Is this priority associated with a Capital Budget Priority? No. If so, state Capital Budget Priority Number and Project Name:

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Section 24/J16/Department of Disabilities and Special Needs

B. Priority No. 5 of 5

C. (1) Title: Residential Waiting List/Aging Caregivers

(2) Summary Description: This request represents the need for additional community residential beds to respond to the increasing number of persons awaiting residential care and aging parents and caregivers who cannot provide care any longer. These funds will be used to develop and operate community homes and residential alternatives to serve 150 individuals with autism, mental retardation and related disabilities, and head or spinal cord injuries. As of June 30, 2006, there were 2,013 individuals on the residential waiting list. During FY 2007-2008, DDSN will open approximately 350 more residential beds with previous year's appropriations. This will mean that over 1,650 individuals will still remain on the residential waiting list at the end of this fiscal year. The number of individuals on the waiting list for residential placement continues to grow over time. The increasing age of the caregivers remains a problem too. As of June 30, 2007 there were 1,584 individuals living with a caregiver age 65 or older; 291 of these caregivers were 80 years old or older. At any time these caregivers may not be able to care for the individual living in their home.

(3) Strategic Goal/Action Plan (if applicable): (See FY 2005-06 Annual Accountability Report Section I Page 4 Key Strategic Goal 1; Page 5 Barriers)

D. Budget Program Number and Name: II.E Mental Retardation Community Residential Program
 II.F Autism Community Residential Program
 II.G Head & Spinal Cord Injury Community Residential Program

E. Agency Activity Number and Name: 1027 Mental Retardation Community Training Homes
 1028 Mental Retardation Community-Assisted Living
 1029 Autism Community Training Homes
 1030 Head and Spinal Cord Injury Community Training Homes
 1031 Head and Spinal Cord Injury Assisted Living

F. Detailed Justification for Funding:

(1) Justification for Funding Increase:

This request represents the state's need to respond to individuals who have been awaiting residential care and to respond to aging parents and caregivers who cannot provide care at home any longer. While this request would be an expansion of DDSN's current community residential programs, it only addresses the highest priority for out-of-home placement needs where increased family support cannot meet the need and where there is currently a list of individuals and families awaiting this level of care.

In South Carolina as of June 30, 2007, there were 1,584 individuals with severe disabilities being cared for by parents age 65 and over. Of these 1,599 individuals, 801 live at home with a parent who is 72 years of age or older. And 291 of these caregivers are 80 years old or older themselves and their sons or daughters with a disability are in their 50's and 60's. As the parent's age increases, of course, the likelihood of their becoming disabled or dying increases significantly. Additionally, individuals with severe disabilities are being cared for by siblings, grandparents or people other than their parents. When these fragile family arrangements fall apart, DDSN must respond to the health and safety risk of the individual with the disability who cannot care for him/herself.

As of June 30, 2007, 2,013 individuals and families were requesting residential placement from DDSN. During FY 2007-2008, DDSN will open approximately 350 more residential beds with previous year's appropriations. This will mean that over 1,650 individuals will still remain on the residential waiting list at the end of this fiscal year. Based on our past experience, we know that 150 individuals will require residential placement during the next fiscal year as the result of changing situations for which no amount of family support in their home is judged to be adequate to address the situations. DDSN must respond to these individuals' health and safety with a residential option. This is compounded by the fact that each month approximately 400 new people are requesting DDSN eligibility.

Since individuals with severe disabilities usually live a normal life span and need services for 30 to 50 years, very little turnover exists among current consumers to accommodate the additional demand. It is estimated that 150 residential options will come available during FY 2008-2009 due to attrition (i.e., deaths, discharges). This means that only those individuals with critical life and death risks will be able to secure a residential placement. Individuals and families who have been waiting for a residential placement will have to continue to wait. In addition, more individuals will be added to the waiting list with no real hope of being served due to the fact that only the most critical can be placed.

This request includes the development of community homes for 150 individuals with autism, mental retardation and related disabilities, and head or spinal cord injuries in need of residential placement. When out-of-home care is necessary, the most used alternatives are the community training home (CTH) and supported living (SLP) models. These models serve one to four individuals with mental retardation, autism or head/spinal cord injuries either in an existing home/apartment or in a home developed and staffed by community providers. In these small, family-like home settings, individuals receive the basic needs of food, shelter, health and safety, as well as appropriate work and social supports as needed.

A CTH has aspects of both residential and family care, yet it is typically two-thirds the cost or less of the regional centers and there are no more than four residents in one home. The homes provide the needed level of supervision and training while keeping the groups small. CTHs provide around-the-clock staffing. Typically the individuals attend employment or day programs during the day, while receiving training and support in the home.

Costs for this request are summarized below:

	<u>Basis for Cost</u>	<u>Federal Cost</u>	<u>State Cost</u>
Residential Placements	150 clients @ \$63,243	\$ 6,618,000	\$ 2,868,000

Note: The federal share is funded through Medicaid.

The \$2,868,000 requested includes all operating costs. All services would be contracted with local providers. No FTE's are required.

The provision of funds for this request will provide a good and appropriate environment for 150 individuals with severe disabilities who live in inappropriate situations, who currently live with an aging caregiver typically over the age of 65, or who have been on the waiting list. This request represents DDSN's effort to respond when additional in-home family supports cannot meet the need. It is only when an individual should no longer be living with their aging caregiver, and/or in-home supports are not enough, that cost-efficient community residential options will be used which provide family-like arrangements for individuals in their home communities along with the required supervision, training, and supports. This will avoid the use of inappropriate and more costly institutional placements.

The most important consequence of not funding this item is to leave individuals in existing living situations which are no longer appropriate considering the person's need for care and supervision due to situations such as family breakups and the inability of aging parents to take care of their children due to hospitalization, onset of terminal illness, physical incapacitation, etc. In the past we have been able to convert, over time, many 100% state funded expenses to Medicaid reimbursement which allowed the federal government to cover more of the costs, but this approach has been maximized. Many efforts have been undertaken to reduce costs and shift any savings to needed services. These strategies utilized in the past will no longer allow the agency to cover this need without additional resources.

As directed over many years by Governors' administrations and the General Assembly, DDSN has pursued an aggressive effort to have as many of the agency's services as possible covered by the federal government through Medicaid reimbursements. This has meant a reduced cost to the state to provide services to persons with severe lifelong disabilities. Most of the services DDSN provides have some cost expensed to Medicaid. It is these efforts to reduce the cost to the state that allow the federal participation to cover 70% of the expenses needed in this request. However, these Medicaid services are specialized and are not part of the mandatory Medicaid State Plan entitlement program. This means that the number of individuals served is limited and the amount of dollars spent are controlled and that they do not affect the cost of services to the general Medicaid program of the state.

In addition, DDSN has aggressively shifted resources over the past few years in order to meet the priorities of the agency without additional funding. During the thirteen year period 1994 through 2007, DDSN shifted \$56.3 million in services from large state operated facilities to locally operated disability boards as community alternatives were developed. This resulted in the reduction of over 1,843 FTE's during the same period. The agency has privatized supply warehousing, laundry, printing services, pharmacy services, quality assurance, some medical and food services, vehicle maintenance, garbage services and mainframe computing resulting in savings and the reduction of additional FTE's while generally improving quality. During the last nine years DDSN's Central Office administration has been minimized to less than two percent. These savings were reallocated to the highest priorities of the agency or were utilized to manage budget reductions so as to minimize negative impact to service delivery.

DDSN persists in making every effort to shift available resources to prevention and family support services and to avoid unnecessary expensive out-of-home placements. The agency continues to shift from replacing families to supporting families. This approach is considered to be a best practice in the field while saving the state a significant amount of money. DDSN works each year to reduce the cost of serving people with severe disabilities who need services by emphasizing family support and primary prevention activities and by reserving out-of-home residential placements only for those individuals with the most critical needs. The agency has already redirected resources to help serve individuals and families and maximized federal reimbursements so that now there are no other resources available within the agency to fund this request.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		0		0	0
(b) Salary					\$ 0
(c) Fringe Benefits					\$ 0
Program/Case Services		\$2,868,000		\$6,618,000	\$9,486,000
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$2,868,000		\$6,618,000	\$9,486,000
<i>* If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 60,711,095
Federal	\$ 201,065
Other	\$ 185,796,408

(4) Is this priority associated with a Capital Budget Priority? No. If so, state Capital Budget Priority Number and Project Name:_____.

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

A. Section 24/J16/Department of Disabilities and Special Needs

B. Priority No. 1 of 1

C. Strategic Goal/Action Plan: Increase accountability to all citizens of South Carolina by minimizing the occurrence and reducing the severity of disabilities through primary and secondary prevention initiatives. (See FY 2005-06 Annual Accountability Report Section I Page 5 Key Strategic Goal 2)

D. Project Name and Number (if applicable): South Carolina Center for the Treatment of Genetic Diseases

E. Agency Activity Number and Name: 1012 Greenwood Genetic Center

F. Description of Priority: This capital funding is requested for the balance of the funding needed for the construction of the center for treatment of genetic diseases on the campus of the Greenwood Genetic Center in Greenwood, South Carolina. As part of the Fiscal Year 2007-2008 Supplemental Appropriations, \$3,500,000 was included in Proviso 73.12, Item (21) (B), for one half of the State dollars needed to build the facility. The remaining unfunded construction cost for the facility is the balance of \$3,500,000 remaining from last year's request of \$7 million. Total cost of the project to include equipment, architectural, engineering, land, and site work is estimated to be \$10,701,750. The remaining \$3,701,750 will be covered by commitments to the center by Sprint and the Greenwood Economic Alliance, The Duke Endowment, the Genetics Endowment of South Carolina, and DDSN. The facility will be approximately 30,000 square feet and will house clinical evaluation and treatment rooms, laboratories, offices, and family support areas. This center will allow the timely development of the necessary expertise and infrastructure to position South Carolina to take fullest possible advantage of emerging treatments to cure and prevent mental retardation, autism, and related disabilities.

G. Detailed Justification for Funding

(1) Justification for Funding Priority:

There are now new opportunities to work with the families of newborns to provide curative treatment for conditions that, if left untreated, would result in severe life-long mental retardation and related disabilities. The Department of Health and Environmental Control recently increased the number of conditions for which each newborn baby is screened through the SC Newborn Screening Program as a result of changes in state law. Many of these conditions, identified during the screening, result in severe life-long mental retardation and other disabilities if not treated. Currently, there are new treatments available that, if started at birth, prevent mental retardation and related disabilities. Other curative treatments for conditions that progress to mental retardation are under development at the Greenwood Genetic Center.

Currently, there are established strategies to cure or prevent mental retardation and related disabilities. Dietary manipulation and pharmaceuticals are the mainstay of the well established therapies currently available for disabling conditions. Dietary restrictions for children screened with "PKU" and the taking of supplemental folic acid vitamins by women of child bearing age have reduced

the numbers of disabled children. There are also emerging strategies which are in preclinical or clinical trials. Most prominent among these are the use of enzymes for the treatment of inherited biochemical disorders. The use of gene compounds which can be utilized to replace essential compounds which are defective will continue to expand in the next few years. And there are therapies on the horizon which are in early trials. This includes the use of antibodies to correct skeletal disorders, antibiotics to permit genes with mutations to function adequately to prevent disease, the use of biochemical analogues to promote transfer of essential chemicals to the brain, and the activation of essential genes that have become silenced through mutations or other mechanisms to restore essential gene compounds.

The goal of this treatment center is to promote normal development and prevent mental retardation or other developmental disabilities among children who, if untreated, will develop mental retardation and related disabilities. When operational the new facility will provide screening and diagnostic services to over 20,000 families and curative treatments to an additional 50 to 100 families annually. Currently, 139 patients are enrolled in a treatment program funded by DHHS and DDSN and 88 of these treatments are considered curative. This is part of a demonstration effort to link curative treatments with the new screening of conditions. Referrals come statewide mainly from hospitals, pediatricians, clinics, families, DHEC, and DDSN.

In addition to the health benefits to treated children, curative treatments produce immense savings in health care expenditures. The actual cost associated with current DDSN consumers with a diagnosis identical to those in the project treatment group is \$76,900 per patient or \$3,845,000 for an average 50 year life. Of course, this speaks nothing to the avoidance of pain and suffering of the parents and the child themselves.

This capital funding is requested for the balance of the funding needed for the construction of the center for treatment of genetic diseases on the campus of the Greenwood Genetic Center in Greenwood, South Carolina. As part of the Fiscal Year 2007-2008 Supplemental Appropriations, \$3,500,000 was included in Proviso 73.12, Item (21) (B), for one half of the State dollars needed to build the facility. The remaining unfunded construction cost for the facility is the balance of \$3,500,000 remaining from last year's request of \$7 million. Total cost of the project to include equipment, architectural, engineering, land, and site work is estimated to be \$10,701,750. The remaining \$3,701,750 will be covered by commitments to the center by Sprint and the Greenwood Economic Alliance, The Duke Endowment, the Genetics Endowment of South Carolina, and DDSN.

The land has already been acquired by the Genetics Endowment of South Carolina. Site work for roads and infrastructure is being provided by Sprint and the Greenwood Economic Alliance. Laboratory equipment and furnishings costing \$2,000,000 are expected to be covered by The Duke Endowment. So far, Duke has already provided \$800,000 to date. Architectural and engineering costs have been provided through a grant from DDSN.

Without this facility, curative treatments that are currently available and new treatments yet to be developed will not be able to be expanded to cover those children being identified today and those who will be identified tomorrow as a result of the newborn screening tests added with the recent law changes. Due to our constantly changing knowledge of genetics, prevention efforts have moved to treatments that are available which can cure or reduce the effects of disabilities. Operating funding is currently being provided by DDSN and Medicaid. This funding will be sufficient for the centers operations in the near future.

This project was not included in the agency's 2007 Comprehensive Permanent Improvement Plan. This will not be a DDSN building. DDSN is acting as the sponsor for the Greenwood Genetic Center's request. These would be pass through funds for DDSN. The Greenwood Genetic Center is a nonprofit institute founded in 1974 with joint funding from DDSN and The Self Family Foundation. Besides DDSN, DHHS and DHEC provide additional State and Medicaid funding to the Center. In addition, the Center has established academic and research collaborations with the state's three research universities (MUSC, USC, and Clemson). The Center provides diagnostic genetic services and counseling statewide, operates educational programs, and conducts research on mental retardation, autism, birth defects and related disabilities. With the support of the state agencies and universities, statewide service outreach, prevention programs, clinical and educational facilities, new diagnostic technologies and state of the art laboratories have become possible.

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	\$3,500,000	\$3,500,000	\$3,701,750	\$10,701,750

** If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used.

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: _____ Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover?

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

(1) Will additional annual operating costs be absorbed into your existing budget? _____

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used.

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

2007 COMPREHENSIVE PERMANENT IMPROVEMENT PLAN (CPIP)

Page _____

Agency Number: J-16 Name: Disabilities and Special Needs

PROJECT PROPOSED FOR PLAN YEAR (Check One):

1: 2007-08 ___ 2: 2008-09 **X**___1. Project Name: Greenwood Genetic Center - SC Center for the Treatment of Genetic Diseases - Construction2. Project Priority: 9 of 9 in Plan Year

3. Project Type:	<u>Construct Additional Facilities</u>	<u>100</u> %
		<u> </u> %
4. Facility Type:	<u>Healthcare / Medical</u>	<u>75</u> %
	<u>Office / Administration</u>	<u>25</u> %

5. What is the project?

This project involves the new construction of a large, 30,000 square foot facility to be known as the South Carolina Center for the Treatment of Genetic Diseases, on the campus of the Greenwood Genetic Center in Greenwood. It will be owned by Greenwood Genetic Center. The facility will combine space for clinical evaluation and treatment rooms, laboratories, offices, and family support areas. The funding is a collaborative effort of the SC Department of Disabilities and Special Needs, the Greenwood Genetic Center, and other private non-profit agencies. The estimated total project cost is \$10,701,750. DDSN received \$3,500,000 in the FY07-08 supplemental appropriations, Proviso 73.12, for the initial construction work on this project. In FY08-09, DDSN is requesting the remaining \$3,500,000 in one-time funding.

The total projected cost of this project is \$10,701,750.00.

Attach Form C4 for additional annual operating costs or savings for each proposed new project.

8. Total estimated project cost:

1.	<u>536,750.00</u>	Land Purchase	Land	<u>7</u>	Acres
2.		Building Purchase	Floor Space:		Gross Square Feet
3.	<u>316,000.00</u>	Professional Services Fees			
4.	<u>2,000,000.00</u>	Equipment and/or Materials	Information Technology	\$	
5.	<u>750,000.00</u>	Site Development			
6.	<u>7,000,000.00</u>	New Construction	Floor Space:	<u>30,000</u>	Gross Square Feet
7.		Renovations - Building Interior	Floor Space:		Gross Square Feet
8.		Renovations - Utilities			
9.		Roofing			Roof Age
10.		Renovations - Building Exterior			
11.		Other Permanent Improvements			
12.		Landscaping			
13.		Builders Risk Insurance			
14.		Other Capital Outlay			
15.		Labor Costs			
16.		Bond Issue Costs			
17.		Other			
18.	<u>99,000.00</u>	Contingency			
	<u>\$ 10,701,750.00</u>	TOTAL PROJECT BUDGET			

6. Why is the project needed?

This center will allow the timely development of the necessary expertise and infrastructure to position South Carolina to take fullest possible advantage of emerging treatments to cure and prevent mental retardation, autism, and related disabilities.

7. What alternatives to this project were considered?

Continue disjointed efforts and programs, without the infrastructure to develop new curative treatments for these conditions, which lead to expensive, lifelong financial costs.

9. Proposed Source of Funds

0.	<u>7,000,000.00</u>	Supplemental Funding
1.		Departmental CIB
2.		Institution (Tuition) Bonds
3.		Revenue Bonds
4.		Excess Debt Service* ()
5.		Capital Reserve Fund
6.	<u>316,000.00</u>	Appropriated State
7.		Federal
8.		Athletic
9.	<u>3,385,750.00</u>	Other* (Private Endowment Funds / Grants)
	<u>\$ 10,701,750.00</u>	TOTAL

* Specify Type

**10. Project Schedule
(for 2006-07 only)**

A. Estimated Start Date:

December 2007

B. Estimated Completion Date:

October 2008

C. Estimated Total Expenditures

(1) In 2007-2008 Year

\$ 6,001,750.00

(2) After 2007-2008 Year

\$ 4,700,000.00

(3) Total Project Cost

\$ 10,701,750.00

2007 COMPREHENSIVE PERMANENT IMPROVEMENT PLAN (CPIP)

Page _____

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY

Code J-16 Name Disabilities and Special Needs

2. PROJECT

Greenwood Genetic Center - SC Center for the Treatment of
Genetic Diseases - Construction

No. 9 of 9 Name

PROJECT PROPOSED FOR PLAN YEAR (Check One): 1: 2007-08 ____ 2: 2008-09 X

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS.

(Check whether reporting cost or savings.)

☐ COSTS ☐ SAVINGS ☒ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2007-08				\$
2) 2008-09				\$
3) 2009-10				\$

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenue, fees, etc.).

N/A

6. Will the additional costs be absorbed into your existing budget? If no, how will additional funds be provided? ☒ YES ☐ NO

7. Itemize below the cost factors that contribute to the total costs or savings reported in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	_____

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By:

Director of Budgeting Systems

August 29, 2007

Signature of Authorized Official and Title

Date

FY 2008-09 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. PRIORITY ASSESSMENT OF ACTIVITIES – HIGHEST PRIORITIES

A. Section 24/J16/Department of Disabilities and Special Needs:

B.

Priority Assessment of Activities – Highest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 1032 Regional Centers-Intermediate Care Facility/Mental Retardation	\$54,000,359	\$40,000	0	0	\$44,683,599	\$98,723,958	2,319.40
Activity Number & Name: 1026 Intermediate Care Facility/Mental Retardation	14,072,914	0	0	0	34,880,038	\$48,952,952	22.00
Activity Number & Name: 1027 Mental Retardation-Community Training Homes	40,167,815	217,937	0	0	123,151,392	\$163,537,144	33.00
Activity Number & Name: 1029 Autism Community Training Homes	4,280,019	0	0	0	10,571,046	\$14,851,065	50.00
Activity Number & Name: 1030 Head and Spinal Cord Injury Community Training Homes	795,272	0	0	0	1,814,226	\$2,609,498	0
TOTAL OF HIGHEST PRIORITES	\$113,316,379	\$257,937	\$ 0	\$ 0	\$215,100,301	\$328,674,617	2,424.40

FY 2008-09 COST ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF ACTIVITIES – LOWEST PRIORITIES

A. Section 24/J16/Department of Disabilities and Special Needs:

B. Agency Activity Number and Name:

1017	Special Olympics
1013	Other Prevention
1015	Center Based Child Development
1016	Other Family Support
New	Traumatic Brain or Spinal Cord Injury Post-acute Rehabilitation

C. Explanation of Lowest Priority Status:

1. While Special Olympics is very important to many children and adults with mental retardation and their families, this funding is provided by the appropriations act each year as pass-through funding to the private nonprofit organization. This funding supports the administrative and general programs of Special Olympics. While providing worthwhile events, pass-through funding has the agency's lowest priority.
2. Other Prevention activities include community mini-grants awarded to promote disability prevention through local programs. Up to 10 grants are awarded each year based on merit and are awarded to schools and nonprofit community organizations. Another prevention activity is Steps to Your Health which is an evidenced based wellness program for adults with disabilities focusing on addressing the highest causes of disease and health disabilities. Examples are nutrition, exercise, and stress management. While these prevention efforts are very important in reducing future disabilities in the state, they are not as critical as the services individuals and families count on everyday as supports in daily living.
3. Center Based Child Development centers provide day care with an emphasis on developmental activities for children with mental retardation or autism. However, these services provided at only five centers throughout the state are very limited. Generally, day care for children is considered the responsibility of the family. Since there are only five centers, other families of children with disabilities throughout the state have had to make their own arrangements for day care. Due to the fact that most of the families must provide for this service themselves, the agency has this funding as a lower priority.
4. Other Family Support provides summer services and supports to families of children and adults with mental retardation or autism. These supports range from specialized summer camps for the individuals with a disability to day care provided to help the family during the summer months that school is not available. And while this too assists families and provides individuals opportunities that might not happen otherwise, if activities have to be reduced the agency would next choose intermittent supports tied to a specific effort before reducing other family supports that are more flexible and provide ongoing efforts for families throughout the year.
5. Traumatic Brain or Spinal Cord Injury Post-Acute Rehabilitation is a new program for the state funded this year as part of the appropriations act. It will enable people with traumatic brain or spinal cord injuries to obtain an appropriate level of specialized

inpatient and outpatient rehabilitation after the acute stay in the hospital following the injury. Currently, most of the injured receive inappropriate levels of rehabilitative care that does not minimize the effects of the injuries on the individuals' lives. Only one hospital in the upstate currently operates a limited program for these consumers. A few others go to centers out of state if they have enough resources. This is only listed as having a low priority because it is new.

D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	\$3,198,924	\$156,500	0	0	\$1,646,569	\$5,001,993
Pass-Through Funds	225,000	0	0	0	130,000	355,000
Other Operating Expenses	0	0	0	0	0	\$ 0
Total	\$3,423,924	\$156,500	\$ 0	\$ 0	\$1,776,569	\$5,356,993

E. Activity Impact *(Describe the impact on the activity affected including the impact on customers and clients.):*

1. Even though the Special Olympics dollars are pass through funding from the agency to the organization, the funding does support the many events sponsored by Special Olympics for individuals with mental retardation and their families. Besides the big statewide annual sports competition, many other sporting events occur all over the state all year long. These sports include swimming, bowling, and bocce. Many of the children and adults competing in these events would not have the opportunity to do so otherwise in their local communities. This support funding provides a base that is expanded many times over from other fund raising and the many hours volunteered by citizens of the state helping to support other state citizens who have a disability.
2. The Other Prevention grants and health programs pay dividends in the future. Over 300 individuals with disabilities are affected by these programs. But more than the return on dollars by preventing future outlays of state funding is the affect these funds will have on the future lives of people who will be less disabled.

3. While there are only five Center Based Child Development Centers throughout the state, the centers serve 108 children with special needs. Some of these children have medical conditions or devices that most day care centers are not capable of handling. For these families, the centers may be providing the support needed to allow the parents to work. Eliminating the centers will add to the cost of care to these families and may require some families to accept a reduction in income. In addition, the agency has been able to cost most of the expenses for these centers to Medicaid. These funds would no longer be collected if there is a loss of the State matching funds.

4. The Other Family Support summer services provides for specialized camps, activities, and day care for 3,070 children and adults with mental retardation and autism. Many of these individuals attend school during the other months. These supports help families in providing supervision for their sons or daughters during these non-school days. For the individual with a disability, these supports allow them to participate in activities other individuals who are not disabled are able to enjoy. So while family supports help the families of individuals with a disability, they also allow the disabled individual to do activities others take for granted. These services occur statewide during the summer months. For the families of adult consumers, the summer activities may provide respite care so that the family too gets a break.

5. Not continuing this new program to the fullest extent will mean that individuals experiencing a traumatic brain or spinal cord injury in this state will not receive the most appropriate post-acute rehabilitation care needed to help them minimize the effects of their injuries while maximizing their potential in life. Estimates are that 2,254 individuals will need this level of specialized care that only a few receive at the one hospital in the upstate providing a limited program or that have the private resources to travel out of state to hospitals in neighboring states. This funding covers the uninsured and the underinsured who have no other options.

All of this funding is provided through contracts and grants to local county boards or private organizations. No State government FTE's are involved. Any of the impact on employees would be with the local or nonprofit organizations.

F.

Summary of Priority Assessment of Activities – Lowest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 1017 Special Olympics	\$225,000	0	0	0	\$130,000	\$355,000	0
Activity Number & Name: 1013 Other Prevention	39,183	90,500	0	0	35,000	\$164,683	0
Activity Number & Name: 1015 Center Based Child Development	350,000	0	0	0	811,569	\$1,161,569	0
Activity Number & Name: 1016 Other Family Support	709,741	66,000	0	0	0	\$775,741	0
Activity Number & Name: (New) Traumatic Brain or Spinal Cord Injury Post –acute Rehabilitation	2,100,000	0	0	0	800,000	\$2,900,000	0
TOTAL OF LOWEST PRIORITES	\$3,423,924	\$156,500	0	\$ 0	\$1,776,569	\$5,356,993	0